

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

**BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY
DELIVERY NEW ENGLAND**

D.T.E. 03-40

ATTORNEY GENERAL'S SEVENTEENTH SET OF
DOCUMENT AND INFORMATION REQUESTS

- AG-17-1 Please provide the corporate organization chart for Boston Gas Company depicting the Company's operations during the test year. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled within each unit and division.
- AG-17-2 Please provide the corporate organization chart for Boston Gas Company depicting the Company's current operations. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled.
- AG-17-3 Please provide the corporate organization chart for Colonial Gas Company depicting the Company's operations during the test year. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled within each unit and division.
- AG-17-4 Please provide the corporate organization chart for Colonial Gas Company depicting the Company's current operations. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled.
- AG-17-5 Please provide the corporate organization chart for Essex Gas Company depicting the

Company's operations during the test year. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled within each unit and division.

- AG-17-6 Please provide the corporate organization chart for Essex Gas Company depicting the Company's current operations. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled.
- AG-17-7 Please provide the corporate organization chart for EnergyNorth Natural Gas Company depicting the Company's operations during the test year. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled within each unit and division.
- AG-17-8 Please provide the corporate organization chart for EnergyNorth Natural Gas Company depicting the Company's current operations. The chart should identify each functional unit and operating division within the Company (line and staff), provide a summary of each unit's functions, and identify the number of management, supervisory and other employee positions budgeted and filled.
- AG-17-9 Refer to the Company's response to AG-1-98. Please describe the line of business (functions, services provided and territory served) for each of the entities identified in the attachments. Provide the organization charts for the test year, identifying the line of business (functions, services provided and territory served) for each entity. Explain changes between current and test year organizations, functions, services and service territories).
- AG-17-10 Please provide, for test year transactions, the reports/logs of affiliate transactions that the Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).

220 CMR 12.04 (4) A Distribution Company must maintain a log of all transactions with Affiliated Companies made pursuant to 220 CMR 12.04(1) through (3). The log shall include the date of the transaction, the nature and quantity of the asset or service provided, the price charged, and an explanation of how the price was derived for purposes of compliance with this section. All

log entries must be dated and made contemporaneously with relevant transactions. The log shall be kept up to date. The Distribution Company shall file a copy of the log with the Department no later than January 15 of each year, covering the previous year.

If the reports/logs filed with the Department include any codes, provide a detailed explanation of each code.

If the Company does not file or collect the data requested, please explain why and provide all Department orders or rulings granting waivers and exemptions from the filing requirements of 220 CMR 12.04.

- AG-17-11 Please provide, for 2001 transactions, the reports/logs of affiliate transactions that the Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).
- AG-17-12 Please provide, for 2000 transactions, the reports/logs of affiliate transactions that the Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).
- AG-17-13 Please provide, for 2002 transactions, the reports/logs of affiliate transactions that Essex Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).

220 CMR 12.04 (4) A Distribution Company must maintain a log of all transactions with Affiliated Companies made pursuant to 220 CMR 12.04(1) through (3). The log shall include the date of the transaction, the nature and quantity of the asset or service provided, the price charged, and an explanation of how the price was derived for purposes of compliance with this section. All log entries must be dated and made contemporaneously with relevant transactions. The log shall be kept up to date. The Distribution Company shall file a copy of the log with the Department no later than January 15 of each year, covering the previous year.

If the reports/logs filed with the Department include any codes, provide a detailed explanation of each code.

If Essex Gas Company does not file or collect the data requested, please explain why and provide all Department orders or rulings granting waivers and exemptions from the filing requirements of 220 CMR 12.04.

- AG-17-14 Please provide, for 2001 transactions, the reports/logs of affiliate transactions that Essex Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).
- AG-17-15 Please provide, for 2000 transactions, the reports/logs of affiliate transactions that Essex Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).
- AG-17-16 Please provide, for 2002 transactions, the reports/logs of affiliate transactions that Colonial Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).

220 CMR 12.04 (4) A Distribution Company must maintain a log of all transactions with Affiliated Companies made pursuant to 220 CMR 12.04(1) through (3). The log shall include the date of the transaction, the nature and quantity of the asset or service provided, the price charged, and an explanation of how the price was derived for purposes of compliance with this section. All log entries must be dated and made contemporaneously with relevant transactions. The log shall be kept up to date. The Distribution Company shall file a copy of the log with the Department no later than January 15 of each year, covering the previous year.

If the reports/logs filed with the Department include any codes, provide a detailed explanation of each code.

If Colonial Gas Company does not file or collect the data requested, please explain why and provide all Department orders or rulings granting waivers and exemptions from the filing requirements of 220 CMR 12.04.

- AG-17-17 Please provide, for 2001 transactions, the reports/logs of affiliate transactions that Colonial Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).
- AG-17-18 Please provide, for 2000 transactions, the reports/logs of affiliate transactions that Colonial Gas Company is required to file with the Department in compliance with 220 CMR 12.04 (4). The response must include all the information specified in 220 CMR 12.04 (4).

- AG-17-19 Refer to Exhibit KEDNE/JFB-1, page 16. Please list and describe all common services provided by Boston Gas to Colonial and Essex that were transferred to the “separately organized” service company. Provide all contracts, memoranda of understanding, other documents or agreements related to the transfer of the common services.
- AG-17-20 Refer to Exhibit KEDNE/JFB-1, page 17. Please provide the “Uniform System of Accounts for Mutual Service Companies” used by the Service Company during the test year. Include all amendments made during the test year and post test year; explain the basis for each amendment.
- AG-17-21 Please provide a copy of **all** Cost Allocation Manuals and Procedures that governed the allocation or assignment of any service company costs the Company has included in its cost of service. The response must include a key or index to which specific provisions apply to which costs included in the cost of service.
- AG-17-22 Please provide all changes to the Cost Allocation Manuals and Procedures that have been put into effect since the test year. Explain why each change was initiated. Include the calculations of the affect on the proposed cost of service in this case had the changes been in effect during the test year.
- AG-17-23 Please provide a copy of **all** Cost Allocation Manuals and Procedures that governed the allocation or assignment of any service company costs to the Company during 2001.
- AG-17-24 Refer to Exhibit KEDNE/JFB-1, page 19. Please copies of the **original** filings made at the SEC for approval of “...the structure and staffing of the Service Company, and the policies and procedures that the Service Company will use to implement the service agreement.” Include copies of communications to and from the SEC regarding the original and subsequent filings.
- AG-17-25 Refer to Exhibit KEDNE/JFB-1, page 19. Please copies of the SEC approved materials supporting “...the structure and staffing of the Service Company, and the policies and procedures that the Service Company will use to implement the service agreement.” Include the SEC approvals.
- AG-17-26 Refer to Exhibit KEDNE/PJM-3, p. 5. Please provide a copy of the “KCS policies and procedures manual” in effect during the test year and any amendments or changes that have been incorporated since the end of the test year.
- AG-17-27 Refer to Exhibit KEDNE/PJM-3, p. 13. Please provide a copy of the KeySpan

Corporate Services LLC accounting coding system in place during 2002 (including all amendments or changes and their effective dates). Include an explanation of each code and what specific costs are included in each department, cost center, project and activity.

- AG-17-28 Refer to Exhibit KEDNE/PJM-3 and the Company's response to AG-1-28. Please provide tables summarizing, for 2002, the services and the associated costs for the services provided each month by or through the service company (Keyspan Services) to each company with which it had contracted to provide services. Total 2002 costs should be provided in the same format as the monthly costs. The tables should list the services by the categories selected by each company as specified in Attachment II, and in all amendments and other service agreements (for example see Exhibit KEDNE/PJM-3, pp 37-39). The tables should provide the total cost of each service provided and designate which costs were directly assigned and which were allocated. For allocated costs, provide the allocation factors used to allocate the cost to each company. The total cost for the year for each company should be summarized and compared to the total cost of service as filed with the SEC in KeySpan Corporate Services LLC in the Form U-13-60 for 2002, please explain each variance between the tables and the Form U-13-60.
- AG-17-29 Refer to the previous data request. Provide the actual values/data used in developing each of the allocation factors used in allocating 2002 KeySpan Corporate Services LLC costs. Include the formulas used and the actual calculation of each allocation factor. Explain any allocators that are not specified in the Company's response to AG-1-28.
- AG-17-30 Refer to the Company's response to AG-1-28. It appears that KeySpan Corporate Services LLC costs were not allocated or assigned separately to Essex Gas Company. If that is true, for each service for which Essex Gas Company contracted with KeySpan Corporate Services LLC for provide the 2002 cost using the allocation and cost assignment methodologies provided for in the agreements, Exhibit KEDNE/PJM-3, Service Agreement and Amendment for KEDNE. Include all supporting documentation, workpapers, calculations and assumptions. Provide the calculations and all supporting documentation for the Essex Gas Company allocators. The form of the response should be consistent with that described in AG-17-28. In order to be considered responsive the response must provide the costs related to services provided to Essex Gas Company, not a discussion of why costs were not allocated or assigned to Essex Gas Company.
- AG-17-31 Refer to the Company's response to AG-1-28, Tab 9. Please provide the basis for each determination made whether a cost was "incremental to Boston Gas." Include all

supporting workpapers, calculations, data and assumptions.

- AG-17-32 Refer to the Company's response to AG-1-28, Tab 9. Have the cost separations be subjected to any audits? If yes, please provide the comments of the auditors regarding the separation of costs into the categories of "Allocate to Boston-yes" and "Allocate to Boston-no." Provide a copy of all internal or external procedures, rules or guidelines that was used to develop the separations.
- AG-17-33 Refer to the Company's response to AG-1-8. Please provide a copy of the "Findings and Actions Required" letter issued by the SEC on February 12, 2003 and the KeySpan's response dated March 21, 2003. Include all attachments and exhibits. If there have been additional communications between the SEC and KeySpan regarding this audit, please provide the documentation of these communications.
- AG-17-34 For KeySpan Corporate Services LLC costs that were allocated or assigned to each of the KEDNE companies, provide the amount expensed during the test year and the amount capitalized. Also, for service costs incurred by the KEDNE companies, provide a table showing the amount charged through each companies' CGA, LDAC or similar reconciling mechanism.
- AG-17-35 Provide KeySpan Corporate Services LLC's capital structure, the overall cost of capital, and all elements of the cost of capital that was used in pricing services provided. If the structure or any elements of the capital cost changed during the year, provide all the changes and describe the events that precipitated each change.
- AG-17-36 Refer to Exhibit KEDNE/PJM-3. Please explain why the Exhibit II for Glenwood and Port Jefferson Energy Centers request services from KENG. Provide a description of KENG and how its services differ from those provided by KeySpan Corporate Services LLC.
- AG-17-37 Please provide copies of all Company filings at the DTE related to agreements with affiliates since the date the Company sought approval of the Essex Gas Company rate plan. Include copies of all related Commission orders and communications between the Company and the Commission or the Commission's staff. If the Company has not made any such filings or has not filed the agreements with KeySpan Corporate Services LLC (Exhibit KEDNE/PJM-3), please explain why?
- AG-17-38 Refer to the Company's response to AG-1-28. Please provide totals and "Project" subtotals for the costs detailed in Tabs 1 and 2.
- AG-17-39 Please reconcile the \$93,795,000 figure on page 5, item 11 of the Company's Annual

Return to the Department with the \$122,015,000 figure on page 29 of KeySpan Corporate Services LLC's Form U-13-60 for 2002.

- AG-17-40 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a list of other entities that have contracted with KeySpan Corporate services for the same services as are included in the service agreement amendment.
- AG-17-41 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide identify the staff (employees or consultants) that provided each of the services listed in the amendment. Include the total compensation (salaries, wages, bonuses, benefits, fees, incentives, etc.) paid each employee and each consultant for the services listed during 2002 and each individual's work location. If employees were not dedicated on a full-time basis to providing the listed services indicate the percentage of time that was spent on providing these services during the test year. Please identify employees and consultants that were or are employees or consultants of Boston Gas Company, Essex Gas Company and/or Colonial Gas Company.
- AG-17-42 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a table showing the total cost for gas supply, gas operations and gas marketing and sales services for 2002, 2001, 2000 and 1999 for each of the companies that received these services from KeySpan Corporate Services LLC during 2002. Provide the pages from the KEDNE Massachusetts companies' Annual Returns to the Department that support each year's cost. Annotate the pages as needed to support this response.
- AG-17-43 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a listing of all pipeline transportation contracts held by each of the companies that are served by KeySpan Corporate Services LLC, identify the pipeline, the receipt and delivery points, each contract's MDQ and ACQ, the commencement and termination dates, indicate whether any KeySpan entity has another relationship with the pipeline company or any affiliate of the pipeline company and describe the relationship.
- AG-17-44 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a listing of all gas supply contracts held by each of the companies that are served by KeySpan Corporate Services LLC, identify the delivering pipelines, the receipt points, each contract's MDQ and ACQ, the commencement and termination dates, indicate whether any KeySpan entity has another relationship with the supplier or any affiliate of the supplier and describe the relationship.
- AG-17-45 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a listing of all gas storage contracts held by each of the companies that are served by KeySpan Corporate Services LLC, identify the delivering pipelines, the location of each storage

facility, the maximum storage volume, the commencement and termination dates, indicate whether any KeySpan entity has another relationship with the storage company or any affiliate of the storage company and describe the relationship.

- AG-17-46 Refer to Exhibit KEDNE/PJM-3, pages 37-39. Please provide a listing of all capacity or asset management contracts held by each of the companies that are served by KeySpan Corporate Services LLC, describe the terms of each contract and indicate if the contracts have common terms, the commencement and termination dates, indicate whether any KeySpan entity has another relationship with the management company or any affiliate of the management company and describe the relationship.
- AG-17-47 Please identify all KeySpan subsidiaries and affiliates that are engaged in the competitive marketing of gas and/or related products and services. For each entity identified provide the number of contracts for service in the service territories of each of the KEDNE Massachusetts companies. Provide copies of the contracts for services that generate over \$1,000 in revenues on an annual basis.

Dated: May 30, 2003